

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

PRINCETON DIGITAL IMAGE
CORPORATION,

Plaintiff,

v.

HEWLETT-PACKARD COMPANY, ET AL.

Defendants.

Case No. 12-cv-00779-RJS

**PLAINTIFF PRINCETON DIGITAL IMAGE CORPORATION'S AMENDED ANSWER
TO DEFENDANT HEWLETT-PACKARD COMPANY'S
FIRST AMENDED ANSWER, AFFIRMATIVE DEFENSES AND COUNTERCLAIMS**

Plaintiff Princeton Digital Image Corporation (hereinafter "PDIC") submits its Answer to the Counterclaims of Defendant Hewlett-Packard Company ("HP"), stating as follows:

GENERAL ALLEGATIONS

1. No response is required to Paragraph 1 of the counterclaim.

JURISDICTION

2. PDIC admits that Title 28 U.S.C. §§ 2201 and 2202 are directed to the Federal Declaratory Judgment Act. All other averments of Paragraph 2 are denied.

3. Admitted.

VENUE

4. PDIC admits that venue is appropriate in this district.

THE PARTIES

5. PDIC is without sufficient information or belief to admit or deny the averments of Paragraph 5, and therefore denies them. On information and belief, HP has a principal place of place in Palo Alto, California.

6. PDIC states that the First Amended Complaint says what it says.
7. PDIC states that the First Amended Complaint says what it says.

FACTUAL ALLEGATIONS

8. Admitted.
9. Admitted.
10. PDIC admits that U.S. Patent No. 4,860,103 is titled "Video Level Control" and that it was issued on August 22, 1989. The remaining allegations of paragraph 10 are not directed to PDIC. PDIC denies the remaining allegations of Paragraph 10 and asserts that that `103 patent is valid and that HP infringed the `103 patent.

11. PDIC admits that U.S. Patent No. 4,813,056 is titled "Modified Statistical Coding of Digital Signals" and that it was issued on March 14, 1989. The remaining allegations of paragraph 10 are not directed to PDIC. PDIC denies the remaining allegations of Paragraph 11 and asserts that that `056 patent is valid and that HP infringed the `056 patent..

12. PDIC denies the allegations of Paragraph 12 of the counterclaims.
13. PDIC denies the allegations of Paragraph 13 of the counterclaims.

FIRST COUNTERCLAIM

(Declaration of Non-Infringement -`103 patent)

14. PDIC repeats its responses to Paragraphs 1 through 13 above as if fully set forth herein.
15. PDIC denies the allegations of Paragraph 15 of the counterclaims.
16. PDIC denies the allegations of Paragraph 16 of the counterclaims.
17. PDIC denies the allegations of Paragraph 17 of the counterclaims.

SECOND COUNTERCLAIM

(Declaration of Invalidity - `103 patent)

18. PDIC repeats its responses to Paragraphs 1 through 17 above as if fully set forth herein.
19. PDIC denies the allegations of Paragraph 19 of the counterclaims.

THIRD COUNTERCLAIM

(Declaration of Non-Infringement - `056 patent)

20. PDIC repeats its responses to Paragraphs 1 through 19 above as if fully set forth herein.
21. PDIC denies the allegations of Paragraph 21 of the counterclaims.
22. PDIC denies the allegations of Paragraph 22 of the counterclaims.
23. PDIC denies the allegations of Paragraph 23 of the counterclaims.

FOURTH COUNTERCLAIM

(Declaration of Invalidity - `056 patent)

24. PDIC repeats its responses to Paragraphs 1 through 23 above as if fully set forth herein.
25. PDIC denies the allegations of Paragraph 25 of the counterclaims.

PRAYER FOR RELIEF OF HP

PDIC further denies that HP is entitled to any relief whatsoever from PDIC or the Court, either as prayed for in the counterclaims of HP or otherwise. To the extent that paragraphs A-K under the counterclaims' Prayer for Relief are interpreted to contain any factual allegations, PDIC denies them.

GENERAL DENIAL

PDIC further denies each allegation contained in the counterclaims of HP that was not specifically admitted, denied, or otherwise responded to in this Answer to Counterclaims.

JURY DEMAND

PDIC demands a trial by jury of all issues so triable in these counterclaims.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff PDIC prays for the following relief:

- A. Counterclaims of HP be dismissed in their entirety with prejudice and that HP take nothing thereon; and
- B. Such other and further relief as the Court deems just and proper under the circumstances.

Dated: Wilmington, Delaware
May 9, 2014

Respectfully submitted,

O'KELLY ERNST & BIELLI, LLC

/s/ Sean T. O'Kelly

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